

VZCZCXRO1648

PP RUEHAG RUEHBI RUEHCI RUEHLH RUEHPW RUEHROV
DE RUEHAA #1142/01 2421157

ZNY CCCCC ZZH

P 291157Z AUG 08

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 1444

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY

RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 4223

RUEHBJ/AMEMBASSY BEIJING PRIORITY 2035

RUEHKO/AMEMBASSY TOKYO PRIORITY 1900

RUEHIT/AMCONSUL ISTANBUL PRIORITY 2471

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY

RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

RUEHVEN/USMISSION USOSCE PRIORITY 2829

RUEAIIA/CIA WASHDC PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

RUEKJCS/Joint STAFF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001142

SIPDIS

STATE FOR SCA/CEN; EEB

E.O. 12958: DECL: 08/29/2018

TAGS: PGOV PREL EPET AJ TX

SUBJECT: TURKMENISTAN: BURIED HILL EXPANDING ITS PRESENCE,
AND CONTINUING WORK IN BLOCK III

REF: A. ASHGABAT 0884

1B. ASHGABAT 0958

1C. ASHGABAT 0973

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (b) and (d).

11. (C) SUMMARY: Buried Hill is expanding its presence in Ashgabat, and its work in the disputed Block III region is moving forward. The company's general manager here is downplaying the April incident with Azerbaijani coast guard authorities, and said company vessels had neither been visited again, nor harbored concern that there would be additional problems. The company is focused only on completing the requirements of the contract it signed with the government of Turkmenistan and is leaving the politics to the government. Nevertheless, it could be difficult for Buried Hill -- or any other company -- to work in block III absent some sort of common understanding between the two countries. END SUMMARY.

INCREASING STAFFING

12. (C) Buried Hill General Manager Eldar Iskanderov provided poloff with an update of the company's recent activity on August 28. The company was hoping to move soon into new, larger offices that would be located in an elite apartment building not far from the Arch of Neutrality in the city center. However, the local contractors who are refurbishing the spaces have been taking much longer than anticipated. Iskanderov was anxious to move because the company is planning to increase its staffing levels in its Ashgabat office by 200 people in the very near future. Seventy percent of those positions would be occupied by Turkmen citizens, and thirty percent will be foreign staff.

ENCOUNTER IN THE CASPIAN

13. (C) Iskanderov, who downplayed an encounter its seismic research vessel had with Azerbaijani coast guard boats on April 11 (refs), said the company was engaged in legal activity, operating on undisputed Turkmen territory, and would play no role in geopolitical controversies in the Caspian. That was a topic best left to sovereign nations.

The company just completed 3,000 kilometers of seismic imaging, and had no problems in spite of the close proximity of BP's platforms and, more recently, of numerous Azerbaijani and Russian fishing boats. Approximately fifteen fishing boats have set up operations about 500 meters away from Buried Hill's vessels, and anchor for up to ten days at a time, packing the fish they catch on site and sending them off on another ship.

¶4. (C) Iskanderov said he was shocked by the sensationalized news coverage regarding the Azerbaijani coast guard vessels' visitation of both Buried Hill and Petronas facilities. Since Azerbaijani coast guard boats operate in pairs, the presence of two boats was nothing out of the ordinary, and the company workers who interacted with the coast guard officials did not report the encounter as hostile. Coast guard and company representatives did not compare geographical coordinate information, according to Iskanderov. Buried Hill vessels have reported no additional visits by the Azerbaijani coast guard since then.

¶5. (C) COMMENT: Buried Hill's continued assertion that it will be able to work in block III on solely an economic basis, and that the political situation between Azerbaijan and Turkmenistan has nothing to do with its operations strikes us as naive. While we continue to believe that the two countries can find a solution that would allow Buried Hill to carry out the work that the Government of Turkmenistan has contracted it to do (and one not necessarily involving delimitation at this point), it will be difficult

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for Buried Hill -- or any other company -- to work in block III absent some sort of common understanding between the two countries. END COMMENT.

CURRAN